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General Clark this date.



CENTRAL INTELLIGENCE AGENCY

WASHINGTON 25, D. C.

OFFICE OF THE DIRECTOR

8 December 1954

MEMORANDUM FOR: General Mark W. Clark

You have asked for specific proposals for legislation or other actions for your Task Force to consider. The following subjects merit your consideration. A brief discussion of each is enclosed.

I. Legislation Required by the Central Intelligence Agency.

II. A Congressional Committee for the Central Intelligence Agency.

III. Justification for a New CIA Headquarters Building.

S
Allen W. Dulles
Director

Enclosures:
I, II and III.

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To: General Clark
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I. LEGISLATION REQUIRED BY THE CENTRAL INTELLIGENCE AGENCY

In seeking to develop the Career Service of the Central Intelligence Agency, a detailed study was made of existing laws in the field of personnel administration to determine their applicability to CIA, and to ascertain what additional legislation should be sought by CIA in order to strengthen its Career Service. The basic requirements in this field, and the supporting data which prompts the recommendations for specific legislation, are set forth in the staff study of the Legislative Task Force which is forwarded herewith. Our subsequent study of these recommendations for proposed legislation for CIA indicated that it would be highly desirable to secure the following legislation:

a. Additional medical and hospitalization benefits to be provided to CIA employees and their dependents when stationed overseas.

b. Liberalized civil service retirement benefits providing accelerated retirement credits which will permit retirement at an earlier age than under the Civil Service Retirement Act for CIA employees with overseas service to their credit. Precedent exists for accelerated retirement in investigative positions and would tend to support a credit of $1\frac{1}{2}$ years for each year of overseas service and an additional credit of a $\frac{1}{2}$ year for each year of such service at an unhealthful post. However, current government thinking in this field is that such an acceleration will bring about retirement of an employee at an age where he still would have good productive years available for the Government. Therefore, it is believed that current governmental proposals will recommend an increase of retirement annuity percentages from $1\frac{1}{2}\%$ to 2% for employees on hazardous service or with stated periods of overseas service but will not accelerate the age of retirement. CIA feels that the benefits of a Career Service should include certain benefits for overseas or hazardous service and, therefore, is prepared to recommend legislation advocating either an accelerated retirement age or an increased annuity percentage for its employees.

c. Current accumulations of statutory annual leave are not sufficient to provide adequate home leave between tours of duty overseas and still permit adequate annual leave to employees during their tours abroad. It is our considered

Judgement that CIA employees should receive the same statutory leave benefits as are now applied to members of the Foreign Service; namely, the authority to accumulate one week of home leave for each four months of duty outside of the United States. Legislation will be required in this connection.

d. Legislation is required to authorize CIA to defray at least a part of the additional expense to employees for the cost of primary and secondary education for the children of employees stationed overseas. This will serve to defray the high cost of educating children overseas as opposed to the normal public school cost in the United States.

It should be noted that the legislative requirement for exemption for CIA from the provisions of the Performance Rating Act of 1950 has already been met by inclusion of the exemption as Section 601 (a) of P. L. 763 of the 83rd Congress.

It should be noted that Missing Persons legislation, which provides for the continuation of payments to dependents of those missing in action, is currently in force, but only because the expiration date of the present Act has been extended on a year-to-year basis by succeeding sessions of the Congress. The Department of Defense is charged with the preparation of permanent Missing Persons legislation, and the Congress has also indicated a desire to receive such legislation. The necessity for such legislation for CIA employees is readily apparent, and if it were not to be proposed on a government-wide basis, it would be necessary for CIA to seek its own authority in this field. All steps should be taken, however, to resolve the long standing disagreements between the Department of Defense and the Bureau of the Budget on this legislation so that it may be passed in the current Congress. In connection with the four major items for Career Service legislation noted above, (medical benefits for dependents, liberalized retirement benefits, statutory home leave benefits, and educational allowances for dependents overseas), it should be noted that the Government in each instance is considering government-wide action. If a review of the draft legislation on these government-wide proposals indicates that they will support the necessities of the CIA Career Service, then separate CIA legislation on these items will not be necessary. However, if a final determination is reached not to propose these items on a government-wide basis, then CIA should be prepared to seek its own legislation in this field. In any event, CIA is not in a position to seek independent legislative action now since the Bureau of the Budget would undoubtedly request the CIA to withhold its proposals pending clarification of the over-all Government program.

In addition to the above, it is suggested that there should be a reallocation of the positions of the Director and Deputy Director of Central Intelligence in the official governmental structure as established by the Executive Pay Act of 1949 (P. L. 359 - 81st Congress). This should change the position of Director of Central Intelligence to a position equivalent to that of the Deputy Secretary of Defense and the Chairman of the Atomic Energy Commission, and raise the position of the Deputy Director of Central Intelligence from that of GS-18 to a position equivalent to an Under Secretary of a Government Department. In addition, authority similar to that granted in the Atomic Energy Act of 1954 which authorizes the establishment of not exceeding ten divisions, each to be headed by a Director, should be given for the six principal assistants to the Director. These six statutory positions would be allocated to the positions presently designated as Deputy Director for Plans, Deputy Director for Intelligence, Deputy Director for Administration, Special Assistant for Plans and Coordination, Inspector General, and General Counsel. It should be noted in the case of the General Counsel that many agencies have the position of the principal legal officer established by statute with appropriated compensation in excess of the General Schedule. This has been continued by recent statutory actions placing the position of General Counsel of the Departments of Defense and Commerce, and the Legal Advisor of the Department of State at the Assistant Secretary level. It is felt that this statutory reallocation of Central Intelligence Agency positions will serve to place them at a level commensurate with their responsibilities.

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II. A CONGRESSIONAL COMMITTEE FOR THE CENTRAL INTELLIGENCE AGENCY

1. There are four present proposals being considered in connection with a "Watch Dog" Congressional Committee for the Central Intelligence Agency.

2. The first proposal involves no change from current procedures. The Central Intelligence Agency requests for appropriations are handled by special subcommittees of the Committees on Appropriations and this procedure will be continued even if a Joint Committee were established. Central Intelligence Agency requests for substantive legislation are normally presented to the Armed Services Committees of both Houses, except in those instances where the legislation specifically falls within the jurisdiction of other Committees. Thus, the 83rd Congress, the legislation authorizing the position of Deputy Director of Central Intelligence, as well as the nominations of the Director and Deputy Director, were handled by the Armed Services Committee. However, certain exemptions for the Agency in connection with foreign atomic energy information were quite properly included in the Atomic Energy Act of 1954 before the Joint Committee on Atomic Energy and certain personnel legislation for CIA was included in legislation before the Committees on Post Office and Civil Service. Even if a Joint Committee on Central Intelligence had been in existence, the Atomic Energy and personnel items would have been properly before these other committees. It should also be noted that the status quo appears to be preferred by the leadership of both Armed Services Committees and the House Appropriations Committee, all of whom have expressed strong opposition to a Joint Committee on Central Intelligence.

3. The second proposal would be to have the Armed Services Committees of both Houses establish subcommittees on Central Intelligence composed of three members in each House, if the committee meets jointly, and five members if they meet separately. (In those instances where the Senate Armed Services Committee has held subcommittee hearings on CIA in the past, the subcommittees have consisted of five members. A three man subcommittee of the thirty-six-man House Armed Services Committee may not be deemed to give a sufficient spread). The proposal that the Armed Services Committees set up a special subcommittee on Central Intelligence has merit as all functional legislation for the Agency comes before these committees. Therefore, it would appear that these committees could best exercise a "Watch Dog" position with regard to CIA. With appropriate aggressive leadership, such subcommittees could request the referral of any

complaints regarding CIA to themselves, and could rise to the defense of the Agency when the latter is publicly attacked by stating that they have already, or will immediately, look into the subject matter of the attack.

4. The other two proposals involve the establishment of special committees on Central Intelligence. One suggestion is that a special joint committee be selected by the Vice President and the Speaker of the House, and the second is that its members be drawn from among the members of the Armed Services and Appropriations Committees of the two Houses.

5. In order to establish a joint Congressional committee, it is necessary to have some form of legislative enactment. Thus, the Joint Congressional Committee on Atomic Energy is established by the Atomic Energy Acts of 1946 and 1954. However, the majority of such committees are established in the individual Houses by Senate or House resolutions, or by concurrent resolutions where the committees are joint. These resolutions are expressions of the will of the Congress and do not require Presidential approval. If a resolution is passed to establish a joint committee on Central Intelligence, the standard language would authorize the appointment of the Senate members by the President of the Senate and the House members by the Speaker of the House. As a normal procedure, the majority and minority leaders are consulted in these appointments, and their recommendations carry considerable weight. The establishment of such a committee would normally carry with it the standard authority requiring the production of all testimony, books and records, the holding of hearings and the authority of subpoena. The Committee would also have the authority to appoint a staff.

6. If the resolution provides specifically that the members of such a joint committee should be drawn from the members of the Armed Services and Appropriations Committees, it should be noted that there is a general reluctance, at least in the House, for Appropriations' Committee members to serve on joint committees, where their substantive action might be considered binding on their subsequent appropriations action. The appropriations' authority is so jealously guarded that the subcommittees normally require complete review of Agency activities regardless of the acts of substantive committees authorizing such activities. The fact that three or five senior members of the Appropriations Committee were to sit as members of a Joint Committee on Central Intelligence would in no way obviate the need for full hearings before the CIA Appropriations Subcommittee. In addition, a resolution limiting such a special subcommittee to selected members of the Armed Services and Appropriations Subcommittees might well meet objection from the Committees on Foreign Affairs and the Judiciary, and possibly from a new Joint Committee on Internal Security if one were established.

7. The fact that a substantial number of Senators have proposed a Joint Congressional Committee on Central Intelligence reflects Congressional feeling for greater Congressional knowledge of the activities of CIA. This would tend to indicate that the first alternative--namely the retention of the status quo in CIA--Congressional relations is no longer advisable. On the other hand, it should be reiterated that there are leaders in the Congress who feel that there should be no change in the current relationship.

8. In connection with the alternative to establish a Joint Committee on Central Intelligence, the following points should be noted:

a. If such a Committee were established, its jurisdiction should be limited to organizational and administrative matters and not include review of CIA operations as such. If a Joint Committee were to attempt to substitute its judgement for that of the Executive Branch, or exercise a veto power over specific operations, a serious Constitutional problem involving the doctrine of separation of powers would certainly arise.

b. The greatest care would have to be taken in selecting the members of this Joint Committee, and for security reasons it should be kept to the smallest possible size, preferable three members from each House.

c. A Joint Committee would require a special staff which would eventually come into possession of more information regarding the secret operations of the American intelligence service than is possessed by any but a few of the most senior officials of the Agency. This presents a serious security problem.

d. The workload of a Joint Committee on Central Intelligence would be comparatively small. The Central Intelligence Agency averages about one piece of legislation a year as opposed to the Atomic Energy Commission which has about twenty bills a Session. The many public facets of the work of the Atomic Energy Commission includes the operation of towns, adjudication of patent claims, peacetime applications of atomic energy, etc. This presents a heavy workload for the Joint Committee on Atomic Energy which would not be present in connection with CIA. A light workload would tend to justify a separate Joint Committee and staff, but would tend to support the proposition that existing Congressional Committees--namely Armed Services--could include CIA within their own jurisdiction.

9. In view of the above, it would appear to be preferable if the Armed Services Committees would exercise jurisdiction (either jointly or separately) over CIA. This jurisdiction is amply supported by the standing rules of the Senate and the House. These Committees could be informed on the general activities of the Agency, and its administration, and could continue to handle the Agency's substantive legislation. They could be focal points for complaints forwarded to the Congress and serve as the "Watch Dog" of the Congress in connection with the Agency. The forthright acceptance by the Armed Services Committee of this responsibility would go a long way toward answering the implied criticisms of those who feel that the Congress is not sufficiently informed regarding the Agency, and would not raise the serious problems which would be inherent in a separate Joint Committee on Central Intelligence.

II (A). BILLS TO ESTABLISH A JOINT COMMITTEE ON CENTRAL INTELLIGENCE
INTRODUCED INTO THE 83rd CONGRESS

Several bills were introduced into the 83rd Congress to establish a Joint Committee with supervision of the Central Intelligence Agency or the intelligence function generally.

(1) S. Con. Res. 42 (introduced by Senator Mansfield) and H. Con. Res. 167 (introduced by Congressman Patterson) established a Joint Committee on Central Intelligence to be composed of nine members each from the Senate and the House. S. Con. Res. 69 (introduced by Senator Mansfield with twenty-four co-sponsors) and H. Con. Res. 216 and 217 (introduced by Congressmen Richards and Brownson respectively) were identical, except the membership was to be composed of five members from each House. These bills provided that the Joint Committee study the activities of CIA and problems relating to the gathering of intelligence relating to the national security and of its coordination and utilization by the various agencies of the Government. CIA shall keep the Joint Committee fully and currently informed with respect to its activities. All legislation and other matters relating primarily to CIA shall be referred to the Joint Committee.

The Director of Central Intelligence has held several extremely cordial conversations with Senator Mansfield regarding his legislation, which the Senator introduced with a firm conviction that it would be most helpful to CIA. Following the introduction of S. Con. Res. 42, which called for a Joint Committee of eighteen members, Senator Mansfield came to the conclusion that such a Committee would be too large in view of the extreme sensitivity of the subject matter. As a result, he introduced S. Con. Res. 69, which called for a ten member Joint Committee. Subsequent conversations with Senator Mansfield indicate that at present he would tend to prefer a small Joint Committee appointed by the Vice-President and the Speaker, or selected from the membership of the Armed Services and Appropriations Committees.

(2) H. Con. Res. 168 and 169 (introduced by Congressmen Kelley and Zablocki respectively) established a Joint Committee on Intelligence Matters to be composed of nine members each from the Senate and the House. These resolutions were similar to those on the Central Intelligence Agency alone, except that they were broadened to include "related intelligence services" as well.

(3) H. J. Res. 473 (introduced by Congressman McCarthy) was even broader and established a Joint Committee on Information, Intelligence, and Security.

(4) H. R. 9660 (introduced by Congressman Frelinghuysen) established a Commission on United States Foreign Intelligence Activities, composed of five members to be appointed by the President and two each from the Senate and the House. The Commission was to make a full and complete investigation and study of the foreign intelligence activities of the United States and of the security of our intelligence agencies from penetration by subversion. It was also to study the questions of overlapping and duplication, staffing, and efficiency.

None of these proposals were reported out of Committee.

III. JUSTIFICATION FOR A NEW CIA HEADQUARTERS BUILDING

1. A new CIA headquarters building in which office space would be provided for the entire Agency would result in improved security, increased efficiency, and greater economy.

Security:

- a. Office space for the Agency is now located in thirty-three separate, dispersed buildings, twenty-nine of which are temporary, converted-type structures.
- b. There is a substantial security risk in the transfer of many highly sensitive papers between these various, widely dispersed offices on a continuing basis.
- c. No reasonable expense or effort would secure these temporary structures sufficiently to insure against forceable entry by unauthorized persons nor is it possible to maintain a satisfactory standard of fire prevention in these structures in which some of the most sensitive and vital clandestine documents in or available to this Government are housed. It would be virtually impossible to replace these documents and to attempt to do so would necessitate undertaking a program involving years of operations and an expenditure of money in the millions of dollars.

Efficiency:

- a. For security reasons, perhaps as much as fifty per cent of the Agency's business cannot be conducted over the telephone but must be conducted in personal conferences. For example: Considering time in transit, a minimum of one hour is necessary for an individual located in the Potomac Park area to conduct one-half hour's business with an individual located in the Administration Building.
- b. During Fiscal Year 1954 six Agency shuttle busses and twenty passenger vehicles transported more than [] passengers in the conduct of Agency business. An estimated ninety-five per cent of the time lost in transit would be saved if the entire Agency were quartered in one building.
- c. Timeliness in intelligence is of paramount importance. Meaningful reports can, in many instances, only be made after consulting central files and library facilities which it is impossible to make easily accessible to intelligence analysts in our present dispersed situation.

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- d. The design and deteriorating condition of presently assigned temporary buildings are prejudicial to good management, efficiency, morale, and working conditions in general.

Economy:

- a. Tangible monetary annual savings as estimated below could be expected from the consolidation of headquarters activities in one building. It is also emphasized that either the additional savings or additional productivity to be expected from such consolidation are not included in these estimates.

<u>Item</u>	<u>Present Cost</u>	<u>Est. Cost in One Building</u>	<u>Est. Savings in One Bldg.</u>
Guard Service	\$1,173,000	\$320,000	\$853,000
Reception Staff	110,000	30,000	80,000
Shuttle Service	36,800	----	36,800
Couriers & Messengers	213,200	143,300	69,900
Telephone Mileage	32,800	----	32,800
Building Services Officers	125,000	75,000	50,000
Rents	133,500	----	133,500
Maintenance & Alterations	1,332,000	300,000	1,032,000
Loss of Time	607,000	----	607,000
TWX Service	45,000	20,000	25,000
TOTALS	\$3,808,300	\$ 888,300	\$2,920,000

2. Considerations inherent in the situation outlined above have long indicated the high desirability of providing headquarters space for the Central Intelligence Agency in one permanent building. This matter is now acute because of recent Congressional approval for the construction of a new highway bridge across the Potomac River which

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would result in the removal of several of the temporary structures to which CIA is now assigned. In addition, there are concerted efforts to cause the removal of the remaining temporary buildings assigned to this Agency in the west Potomac Park area. It is our understanding that the Secretary of the Interior has in fact been charged with the removal of these temporary structures at the earliest possible date. Inasmuch as the General Services Administration has indicated that there is no other space available for assignment to this Agency new construction appears to be absolutely essential.

3. Permanent enabling legislation has been granted by the Congress for the construction of a new CIA headquarters building in the amount of \$38,000,000. Funds, however, have not been appropriated for this purpose. Conferences with the General Services Administration and the Bureau of the Budget indicate that such new construction could be undertaken either through the use of appropriated funds or a lease-purchase arrangement.

4. It is essential that the Director be immediately available to the President and the National Security Council. There are also an estimated fifty to one hundred of CIA's senior staff who must be in close daily contact with personnel of other agencies, particularly the Departments of State and Defense, and who must also be immediately available to the Director as well as to those components of the Agency under their supervision and upon which they are dependent for support. The necessity for such close and expeditious coordination within the Central Intelligence Agency and the Intelligence Community dictates that the entire Agency be at one location not more than a few miles distant from the White House.